## **Introduced by Senator Wright**

February 22, 2013

An act to add Section 40709.8 to the Health and Safety Code, relating to nonvehicular air pollution.

## LEGISLATIVE COUNSEL'S DIGEST

SB 760, as introduced, Wright. Electrical generation facility: emission reduction credits.

Existing law requires every air pollution control and air quality management district board to establish a system by which all reductions in the emission of air contaminants that are to be used to offset certain future increases in the emission of air contaminants to be banked prior to use to offset future increases in emissions. Existing law designates the State Air Resources Board as the responsible agency for the preparation of the state implementation plan required by the federal Clean Air Act.

This bill would prohibit every air pollution control and air quality management district that has established an emission reduction credit program, as specified, from imposing any conditions to shut down or destroy existing equipment that may be currently operating, not operating, or retired at an electrical generation facility that applies for an emission reduction credit. The bill would authorize the owner or operator of equipment that has been retired and that is subsequently activated for purposes of upgrading or repowering the electrical generation facility to be subject to fines but would prohibit that owner or operator from being subject to any penalty. By imposing new duties on air pollution control and air quality management districts, this bill would impose a state-mandated local program.

 $SB 760 \qquad \qquad -2-$ 

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 40709.8 is added to the Health and Safety 2 Code, to read:

40709.8. (a) Notwithstanding any other law, a district that has established a system pursuant to Section 40709 by which reductions in emissions may be banked or otherwise credited to offset future increases in the emissions of air contaminants, or which utilizes a calculation method that enables internal emission reductions to be credited against increases in emissions, shall not impose any conditions to shut down or destroy existing equipment that may be currently operating, not operating, or retired at an electrical generation facility that applies for an emission reduction credit.

- (b) The owner or operator of equipment that has been retired pursuant to subdivision (a) that is subsequently activated for purposes of upgrading or repowering the electrical generation facility may be subject to fines but shall not be subject to any penalty.
- SEC. 2. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.